

**U.S. Senator Maria Cantwell**

**Senate Committee on Finance Hearing on The President's 2022 Trade Policy Agenda**

**Witness: The Honorable Katherine C. Tai, United States Trade Representative, Executive Office of the President**

**March 31<sup>th</sup>, 2022**

[\[VIDEO\]](#) [\[AUDIO\]](#)

**Cantwell:** Thank you, Mr. Chairman. And thank you and the ranking member for holding this hearing. And Ambassador Tai, thank you for being here. I know you're a representative of the Biden administration, and you're reflecting the views of the Biden administration.

I would just like to say I agree with my colleagues from the Northwest, but particularly my colleague from Idaho, I don't find where we are, and we had a conversation with you, a roundtable discussion with our members. And you said, "well, we're trying to reset the table here with China." So we gave you more time. And now we're here and we're hearing this focus that we're not saying that opening market access and getting rid of tariffs is a priority.

And that's what the people in my state want to hear. As a very trade dependent state, they want to know that we are fighting to increase market access. When you think about potatoes, when you think about some of these other products, it's more than 70% of the product is an export market.

And when you look at the impacts of the 301 tariffs and how bad apples have been hurt, we want resolution to these issues. I mean, we are not even getting the exclusion at this point.

So it's very hard to look at this equation. And this isn't specific to the Biden administration, I didn't agree with the last administration's approach on this. I don't agree that just throwing down tariffs as we did on the solar industry and now we're 10 plus years later, and we have no resolution of this issue. I don't think that's the path forward.

So I have wholeheartedly supported enforcement. I got USTR a bunch of money out of the customs agency so you can hire more lawyers, and we could beef up USTR so that it could go around the globe and do enforcement. And guess what, it's working.

I led the charge on getting more money for capacity building in Mexico, something nobody really wants to say they don't want to say that our government is paying to help build capacity in Mexico so we can enforce trade agreements. I'll say that, because I believe in trade.

So I'm just trying to understand this notion that somehow trade agreements are 20th century tools. And that they're some sort of exclusive something we're not going to do anymore. And

that the Indo Pacific agreement will not have a mechanism that's specifically focused on opening up markets.

So my people believe, the people in the State of Washington, doing business growing crops, want to know, always, always, what are we doing to increase market access? That's what they want to know.

I hear what you're saying to my colleague here. You're saying, "Well, it's kind of on the table, but it's not really on the table." And right now with these tariffs and the impacts in India and other places there was no place to go. There was no place to go this whole effort. I blame a lot on the Trump administration and their policies. It's easy to throw down. It's easy to throw down around here. And then guess what, do you get any bills done? No. So it does take the negotiation.

So I really want to understand, I'm for labor rights, I'm for enforcement, I'm for capacity building. But why can't we be for opening market access right now and getting rid of tariffs, or at least getting the exclusions done on time?

**Tai:** Well, Senator Cantwell your views on trade are well known to me. And I know that for the State of Washington, you are an export powerhouse, and I understand your views.

Let me just clarify some of my remarks. We have been opening markets. When we began our administration, we began our administration in what I would describe as a tariff rich environment.

In the last year, we have either lifted or averted over \$20 billion of tariffs, just between the US and Europe, \$7 billion of which was applied or going to be applied to agricultural products. So we are, we are opening markets.

We are also opening markets in other ways in our work with our trading partners through trade and investment framework agreements through the TPF with India. Is there more work to do? Absolutely there is.

On my comments about free trade agreements being 20th century tools, that really is just a statement of fact. That free trade agreements are something that we did a lot of in the late 1900s, 1980 to 2010 or 12 or so.

There is a place for free trade agreements in our toolbox. But even there I feel like our approach to free trade agreements needs to be updated. We need to update our toolbox to reflect the realities of today. And that has to do with bringing along all of our economy for the United States in these trade policies so that we can continue to trade.

I take very seriously the lessons that we have learned in the past five, seven years, around trade agreements that we have pursued that have been so big, and have been so uneven in terms of

the wins and losses they're going to deliver for our economy, that they have collapsed under their own weight.

Our approach is guided by the principle that we need to be able to train in a way where we bring along our stakeholders instead of pitting them against each other. And so your stakeholders are absolutely important to me, as are the stakeholders of your colleagues on this committee.

**Cantwell:** I see my time has expired. I would just say that I don't see these issues as an exclusive to one or the other. And people here have been working to update the tools that we have. I see the difference here is we have a president who has a great global presence, he should be advocating a global economic opportunity for the United States. We're working hard to get a bill to increase our export capacity as it relates to the supply chain that we're going to build here in the United States and build great products.

So we're going to do everything that we can. But trade changes culture. Trade helps us build partnerships around the globe, but it's not just us.

The biggest economic opportunity for the United States is to sell things outside of the United States. That means you have to have market access, and you have to have trade.

Thank you, Mr. Chairman.